

Role of ICT and Wage Inequality in Organization

Authors : Shoji Katagiri

Abstract : This study deals with wage inequality in organization and shows the relationship between ICT and wage in organization. To do so, we incorporate ICT's factors in organization into our model. ICT's factors are efficiencies of Enterprise Resource Planning (ERP), Computer Assisted Design/Computer Assisted Manufacturing (CAD/CAM), and NETWORK. The improvement of ICT's factors decrease the learning cost to solve problem pertaining to the hierarchy in organization. The improvement of NETWORK increases the wage inequality within workers and decreases within managers and entrepreneurs. The improvements of CAD/CAM and ERP increases the wage inequality within all agent, and partially increase it between the agents in hierarchy.

Keywords : endogenous economic growth, ICT, inequality, capital accumulation

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